



Department of Justice

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Northern District of New York

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APPRAISAL BUSINESS OWNER INDICTED IN MORTGAGE FRAUD SCHEME

ALBANY, NY – Andrew T. Baxter, United States Attorney, Rene Febles, Special Agent in Charge, United States Department of Housing and Urban Development, Office of Inspector General, John F. Pikus, Special Agent in Charge, Albany Division of the Federal Bureau of Investigation, Patricia J. Haynes, Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division (New York Field Office), and Robert Bethel, Inspector in Charge, United States Postal Inspection Service, announce that **MICHAEL CASSADEI**, age 53, of Schenectady and Galway, New York, was arrested today following the unsealing of a five-count indictment by a federal grand jury in Albany.

The indictment alleges that defendant **MICHAEL CASSADEI, D/B/A/ AAA ALLSTATE APPRAISAL SERVICES**, violated Title 18, United States Code, Sections 1344(1), (2) and 2 by participating with others in a complex mortgage fraud property-flipping scheme by making and causing to be made materially false and fraudulent misrepresentations to a federally-insured financial institution with regard to, among others, certain loan applications, down payments, seller-held second mortgages, and HUD-1 forms, and by using his own appraisal business to generate misleading appraisals in support of the residential properties he sold through nominees, and through whom he obtained the bulk of the proceeds of the resulting mortgage loans. All of the properties, which were located in Albany and Schenectady, went into foreclosure and caused significant losses to the financial institutions which held the mortgages.

The indictment further charges that defendant **MICHAEL CASSADEI, D/B/A/ AAA ALLSTATE APPRAISAL SERVICES**, tampered with a witness by instructing the witness to lie to a federal agent who participated in the investigation. An indictment is merely an accusation and the defendant is presumed innocent unless and until proven guilty.

If convicted, **MICHAEL CASSADEI, D/B/A/ AAA ALLSTATE APPRAISAL SERVICES** faces a maximum sentence of up to thirty years of imprisonment, a period of up to five years of supervised release, and fines of up to one million dollars on each of the four counts of bank fraud in the indictment, and up to twenty years of imprisonment, a period of up to five years of supervised release, and a fine of up to \$250,000 on the witness tampering charge.

MICHAEL CASSADEI, D/B/A/ AAA ALLSTATE APPRAISAL SERVICES was arraigned today on the charges before United States Magistrate Judge David R. Homer in Albany, and was released with conditions.

The case is being investigated by the Office of the Inspector General of the United States Department of Housing and Urban Development, the Albany Division of the Federal Bureau of Investigation, the Internal Revenue Service, Criminal Investigation Division, the United States Postal Inspection Service, the New York State Police Special Investigations Unit, and the New York State Banking Commission. It is being prosecuted by Assistant United States Attorney Joshua S. Vinciguerra.

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